

IN THE UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS
GALVESTON DIVISION

TEXAS STANDARD OIL COMPANY, §
§
Plaintiff, § CIVIL ACTION NO. G-05-490
vs. § JURY
§
FOREST OIL CORPORATION, §
§
Defendant. §

DEFENDANT FOREST OIL CORPORATION'S FIRST AMENDED ANSWER

TO THE HONORABLE UNITED STATES DISTRICT COURT JUDGE:

Defendant Forest Oil Corporation ("FOC") hereby answers Plaintiff's Amended Original Amended Complaint for Damages and Declaratory Judgment (the "Amended Complaint") filed by Texas Standard Oil Company ("TXSO") as follows:

ANSWER

FOC responds to the allegations set forth in the individually-numbered paragraphs of the Amended Complaint as follows:

1. FOC is without sufficient knowledge or information to either admit or deny the allegations contained in Paragraph 1 of the Amended Complaint.
2. FOC admits the allegations contained in Paragraph 2 of the Amended Complaint.
3. FOC admits the allegations contained in Paragraph 3 of the Amended Complaint.
4. FOC admits the allegations contained in Paragraph 4 of the Amended Complaint.
5. FOC denies the allegations contained in Paragraph 5 of the Amended Complaint.
6. FOC denies the allegations in paragraph 6 of the Amended Complaint.

7. FOC re-alleges its responses to the allegations in Paragraphs 1 through 6 of the Amended Complaint in response to Paragraph 7 of the Amended Complaint.

8. FOC admits the allegations in Paragraph 8 of the Amended Complaint.

9. FOC admits the allegations in Paragraph 9 of the Amended Complaint.

10. FOC denies the allegations in Paragraph 10 of the Amended Complaint.

11. FOC admits the allegations in Paragraph 11 of the Amended Complaint.

12. FOC admits the allegations in Paragraph 12 of the Amended Complaint.

13. FOC admits the allegations in the first sentence of Paragraph 13 of the Amended Complaint. FOC admits the allegations in the second sentence of paragraph 13 of the Amended Complaint.

14. FOC admits the allegations in paragraph 14 of the Amended Complaint.

15. FOC re-alleges its responses to the allegations in Paragraphs 1 through 14 of the Amended Complaint in response to Paragraph 15 of the Amended Complaint.

16. FOC denies the allegations in the first sentence of Paragraph 16 of the Amended Complaint. FOC admits the allegations in the second sentence of Paragraph 16 of the Amended Complaint. FOC admits the allegations of the third sentence of Paragraph 16 of the Amended Complaint. FOC denies the allegations of the fourth sentence of Paragraph 16 of the Amended Complaint.

17. FOC denies the allegations in the first sentence of Paragraph 17 of the Amended Complaint. FOC admits the allegations in the second sentence of Paragraph 17 of the Amended Complaint. FOC denies the allegations in the third sentence of Paragraph 17 of the Amended Complaint. FOC admits the allegations in the fourth sentence of Paragraph 17 of the Amended

Complaint.

18. FOC denies the allegations contained in Paragraph 18 of the Amended Complaint.
19. FOC admits the allegations contained in Paragraph 19 of the Amended Complaint.
20. FOC denies the allegations contained in Paragraph 20 of the Amended Complaint.
21. FOC admits the allegations in the first sentence of Paragraph 21 of the Amended Complaint. FOC denies the remaining allegations contained in Paragraph 21 of the Amended Complaint.
22. FOC denies the allegations in the first and second sentences of Paragraph 22 of the Amended Complaint. FOC admits that TXSO non-consented the April 13 AFE and that FOC demanded that TXSO assign all of TXSO's right, title, and interest in the lease (other than its interest in and production from previously completed wells that are producing, shut-in, or temporarily abandoned), but denies the remaining allegations in the third sentence in Paragraph 22 of the Amended Complaint. FOC denies the allegations in the fourth sentence of Paragraph 22 of the Amended Complaint.
23. FOC denies the allegations contained in Paragraph 23 of the Amended Complaint.
24. FOC is without sufficient information or knowledge to admit or deny the allegations in the first sentence of Paragraph 24 of the Amended Complaint. FOC admits that portion of the second sentence of Paragraph 24 of the Amended Complaint regarding the fact that TXSO presented FOC with exceptions, but FOC denies the remaining allegations in the second sentence in Paragraph 24 of the Amended Complaint. FOC denies the allegations in the third sentence in Paragraph 24 of the Amended Complaint.
25. FOC denies the allegation in the first sentence of Paragraph 25 of the Amended

Complaint that there were errors with respect to the High Island Production Handling Agreement, but admits that invoices are grouped together and than allocated to individual properties in conformance with applicable COPAS standards. FOC denies the remaining allegations in Paragraph 25

26. FOC re-alleges its responses to the allegations in Paragraphs 1 through 25 of the Amended Complaint in response to Paragraph 26 of the Amended Complaint.

27. FOC denies the allegations contained in Paragraph 27 of the Amended Complaint.

28. FOC denies the allegations contained in Paragraph 28 of the Amended Complaint.

29. FOC re-alleges its responses to the allegations in Paragraphs 1 through 28 of the Amended Complaint in response to Paragraph 29 of the Amended Complaint.

30.. The request for relief contained in Paragraph 30 of the Amended Complaint need not be admitted or denied, but FOC denies that TXSO is entitled to any relief.

31. FOC re-alleges its responses to the allegations in Paragraphs 1 through 30 of the Amended Complaint in response to Paragraph 31 of the Amended Complaint.

32. FOC admits the allegations contained in Paragraph 32 of the Amended Complaint.

33. The request for relief contained in Paragraph 33 of the Amended Complaint need not be admitted or denied, but FOC denies that TXSO is entitled to any relief.

34. The request for relief contained in Paragraph 34 of the Amended Complaint need not be admitted or denied, but FOC denies that TXSO is entitled to any relief.

35. FOC denies the allegations contained in Paragraph 35 of the Amended Complaint.

36. The request for relief contained in Paragraph 36 of the Amended Complaint need not be admitted or denied, but FOC denies that TXSO is entitled to any relief.

37. The request for relief contained in Paragraph 37 of the Amended Complaint need not be admitted or denied, but FOC denies that TXSO is entitled to any relief.

JURY DEMAND

38. Pursuant to Federal Rule of Civil Procedure 38 and Local Rule 38.1, FOC hereby demands a jury trial.

Respectfully submitted,

By: /s/ Bradley L. DeLuca
Bradley L. DeLuca
Federal Bar No. 11510
TBA No. 05653800
Brigid D. Ashcraft
TBA No. 01372450
Federal Bar No. 9033

OF COUNSEL:

JOHNSON DELUCA KENNEDY & KURISKY, P.C.
1221 Lamar, Suite 1000
Houston, Texas 77010
(713) 652-2525 - Telephone
(713) 652-5130 - Facsimile

CERTIFICATE OF SERVICE

I hereby certify that on the 26th day of May, 2006, a true and correct copy of the foregoing document has been delivered in a manner prescribed by the Federal Rules of Civil Procedure to:

Francis I. Spagnoletti
David S. Toy
Spagnoletti & Co.
1600 Smith, 45th Floor
Houston, Texas 77002

_____/s/ Bradley L. DeLuca
Bradley L. DeLuca